

VZCZCXYZ0034
OO RUEHWEB

DE RUEHQQT #2526 3251409
ZNR UUUUU ZZH
O 211409Z NOV 07
FM AMEMBASSY QUITO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8072
INFO RUEHBQ/AMEMBASSY BOGOTA PRIORITY 7102
RUEHCV/AMEMBASSY CARACAS PRIORITY 2757
RUEHLP/AMEMBASSY LA PAZ NOV 0790
RUEHPE/AMEMBASSY LIMA PRIORITY 2136
RUEHGL/AMCONSUL GUAYAQUIL PRIORITY 3041
RHMFIU/DEPT OF ENERGY WASHINGTON DC PRIORITY

UNCLAS QUITO 002526

SIPDIS

SENSITIVE
SIPDIS

DEPT FOR WHA/EPSC FAITH CORNEILLE AND OES CAMILLE HILL

E.O. 12958: N/A

TAGS: ECON ENRG EINV EC

SUBJECT: ECUADOR'S EFFORTS ON RENEWABLE ENERGY

REFTEL: STATE 138428

¶11. (U) This is a response cable to reftel, which lists key countries invited to the State Department-hosted 2008 Washington International Renewable Energy Conference (WIREC 2008). Ecuador was not included as a key country. Post believes Ecuador is interested in attending WIREC and that there is a strong justification for its inclusion in the conference. Details of Ecuador's tangible contributions to accelerate the use of renewable energy follow. If approved, we would recommend an official delegation headed by Electricity and Renewable Energy Minister Alecksey Mosquera.

¶12. (U) Ecuador is highly focused on hydroelectricity as a source of renewable energy, and the GOE is seeking to increase Ecuador's use of hydroelectricity in order to meet growing demand and reduce its reliance on its largely old, inefficient and polluting petroleum-fired electricity plants. On average, approximately 50 percent of Ecuador's electricity is provided by hydroelectric plants (this varies depending on the season - in the rainy season hydroelectricity can provide 60-70 percent of the country's power; in the dry season the numbers are reversed). The GOE has plans to substantially increase the country's use of hydroelectricity and has earmarked a large amount of government funds for additional hydroelectric projects, drawing largely from a petroleum reserve fund.

New Government-Funded Hydroelectric Projects in the Works

¶13. (U) The following are key new hydroelectric plants in Ecuador which will supplement its existing hydroelectric infrastructure. The government-funded San Francisco hydroelectric plant, drawing from an already-existing hydroelectric dam, became operational this summer. It provides 140 megawatts (mw) of electricity. Mazar, another major hydroelectric plant of 170 mw on the Paute river, is under construction and is scheduled to come online at the end of ¶12008. The GOE has put aside \$320 million for the project. Another major project in the works is the Sopladora plant. The GOE has made a down payment of \$190 million on the project, which is in the final phase of study. The plant would provide 500 mw of electricity and will probably be completed in 2010. Total cost for the project is estimated at \$400 million.

Efforts with Other Renewables

¶14. (U) The GOE is also focusing on other sources of renewable energy. A biofuels pilot project in Guayaquil, working with Brazilian state oil company Petrobras to distill ethanol from sugarcane and mix it with gasoline, is in the early stages. Carlos

Pareja, head of the Ecuadorian state oil company Petroecuador, has said he wants to sell ethanol gasoline in Petroecuador's commercial gas stations, once the pilot project is operational. Several alternative energy projects are also under construction in the Galapagos, using resources such as wind energy, to promote the use of renewable energy and efforts to maintain the delicate ecosystem in the Galapagos. The San Cristobal Wind Project, that seeks to install a wind-diesel hybrid system on San Cristobal Island in the Galapagos, is a good example of this. Ecuador is also a member of the Methane to Markets Partnership, and as part of that is exploring opportunities for landfill biogas. The Ministry of Environment held a conference in August 2007 to familiarize its partners with the fundamentals of landfill biogas use and capture. At the conference, the Ministry presented a model developed by the U.S. EPA called the "New Ecuador Landfill Gas Model," which was designed to help Ecuador develop more robust estimates of landfill biogas generation and recovery potential at individual disposal sites around the country.

JEWELL